

LIMITATION AND EXCLUSION OF LIABILITY FOR DAMAGE CAUSED BY A DEFECTIVE PRODUCT – EUROPEAN, AMERICAN AND NATIONAL MODEL OF LIABILITY FOR DAMAGE

***Summary:** This paper examines the rules on exclusion and limitation of manufacturer's liability for defective product in the two leading models of non-contractual liability for damage caused by defective products, American model from Restatement and European model from the Directive on the approximation of rights of the Member States in respect of liability for defective products from July 25th 1985 and the institute of manufacturer's non-contractual liability for defective product which was kept in a positive legislation of the states resulting from the disintegration of the Socialist Federal Republic of Yugoslavia. The paper will try to point out the advantages and disadvantages of the American and European models of non-contractual liability for damage caused by defective products, as well as the system of manufacturer's non-contractual liability for defective product, Article 179 of Obligations Act of Bosnia and Herzegovina, in respect of the rules of limitation, impairment and exclusion of manufacturer's liability for defective product. The paper also deals with the problems of implementation of the Directive on the approximation of rights of the Member States regarding the liability for defective products from July 25th 1985, in the EU Member States, with regard to the rules on limitation and exclusion of manufacturer's liability for defective products, with special emphasis on the implementation of this Directive into national law and legislation of the surrounding states.*

***Key words:** defective product, non-contractual liability for damage, limitation of liability for damage, impairment of liability for damage, exclusion of liability for damage, joint and several liabilities, harmonization of law, horizontal effect of directives.*